§216d. Severability

If any provision of this subchapter or the application of such provision to any person or circumstance is held invalid, the remainder of this subchapter and the application of such provision to other persons or circumstances shall not be affected thereby.

(Pub. L. 96-221, title VII, §735, as added Pub. L. 97-320, title IV, §408, Oct. 15, 1982, 96 Stat. 1515.)

CHAPTER 3—FEDERAL RESERVE SYSTEM

SUBCHAPTER I-DEFINITIONS, ORGANIZATION, AND GENERAL PROVISIONS AFFECTING SYSTEM

Sec.

221. Definitions.

221a. Additional definitions.

222. Federal reserve districts; membership of national banks.

223. Number of Federal reserve cities in district.

224. Status of reserve cities under former stat-

225.Federal reserve banks; title.

Maintenance of long run growth of monetary 225a. and credit aggregates.

225b. Appearances before and reports to the Con-

(a) Appearances before the Congress.

(b) Congressional report.

"Federal Reserve Act." "Banking Act of 1933." 226

227.

228. "Banking Act of 1935."

SUBCHAPTER II—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

241. Creation; membership; compensation and expenses

242. Ineligibility to hold office in member banks; qualifications and terms of office of members; chairman and vice chairman; oath of office.

243. Assessments upon Federal reserve banks to pay expenses.

Principal offices of Board; chairman of Board; 244 obligations and expenses; qualifications of members; vacancies.

Vacancies during recess of Senate. 245

246. Powers of Secretary of the Treasury as affected by chapter.

247 Reports to Congress.

247a Records of action on policy relating to openmarket operation and policies determined generally; inclusion in report to Congress.

248. Enumerated powers.

(a) Examination of accounts and affairs of banks; publication of weekly statements; reports of liabilities and assets of depository institutions; covered institutions.

(b) Permitting or requiring rediscounting of paper at specified rate.

(c) Suspending reserve requirements.

(d) Supervising and regulating issue and retirement of notes.

(e) Adding to or reclassifying reserve cities.

(f) Suspending or removing officers or di-

rectors of reserve banks. (g) Requiring writing off of doubtful or

worthless assets of banks. (h) Suspending operations of or liquidating or reorganizing banks.

(i) Requiring bonds of agents; sa guarding property in hands safeagents.

(j) Exercising supervision over reserve banks.

- (k) Delegation of certain functions; power to delegate; review of delegated activities.
- (l) Employing attorneys, experts, assistants, and clerks; salaries and fees.

(m) Repealed.

- (n) Board's authority to examine depository institutions and affiliates.
- (o) Authority to appoint conservator or

Authority.

- (q) Uniform protection authority for Federal reserve facilities.
- Voting; documentation of determinations.

248-1.Rules and regulations for transfer of funds and charges therefor among banks; clearing houses.

248a. Pricing of services.

- (a) Publication of pricing principles and proposed schedule of fees; effective date of schedule of fees.
- (b) Covered services.
- (c) Criteria applicable.
- (d) Budgetary consequences of decline in volume of services.
- (e) Parity in clearing.

248b. Annual independent audits of Federal reserve banks and Board.

249. Repealed.

Independence of financial regulatory agen-250. cies.

251. Repealed.

Credit availability assessment. 252.

(a) Study.

(b) Use of existing data.

SUBCHAPTER III—FEDERAL ADVISORY COUNCIL

Creation; membership; compensation; meet-261. ings; officers; procedure; quorum; vacancies.

262 Powers.

SUBCHAPTER IV—FEDERAL OPEN MARKET COMMITTEE

263. Federal Open Market Committee; creation; membership; regulations governing openmarket transactions.

SUBCHAPTER V—FEDERAL DEPOSIT INSURANCE CORPORATION

264. Transferred.

Insured banks as depositaries of public money; duties; security; discrimination between banks prohibited; repeal of inconsistent laws.

State-chartered banks and other institutions 266. as depositaries of public money; fiscal agents: duties.

SUBCHAPTER VI-CAPITAL AND STOCK OF FED-ERAL RESERVE BANKS; DIVIDENDS AND EARN-INGS

281.

282. Subscription to capital stock by national banking association.

283. Public subscription to capital stock.

284. Omitted.

285. Nonvoting stock.

Transfers of stock; rules and regulations. 286

Value of shares of stock; increase and de-287. crease of stock; member banks as shareholders; surrender of shares.

288. Cancellation of stock held by member bank on insolvency or discontinuance of banking operations for sixty days; repayment of cash-paid subscriptions.

289. Dividends and surplus funds of reserve banks; transfer for fiscal year 2000.

g		g		
Sec.	(a) Dividends and surplus funds of reserve banks.	Sec. 344.	Discount or purchase of bills to finance agricultural shipments.	
290.	(b) Transfer for fiscal year 2000. Use of earnings transferred to Treasury.	345.	Rediscount of notes, drafts, and bills for member banks; limitation of amount.	
SUBCHA	APTER VII—DIRECTORS OF FEDERAL RE-	346.	Discount of acceptances.	
	E BANKS; RESERVE AGENTS AND ASSIST-	347. 347a.	Advances to member banks on their notes. Advances to member bank groups; inadequate	
301.	Powers and duties of board of directors; sus-		amounts of eligible and acceptable assets; liability of individual banks in group; dis-	
001.	pension of member bank for undue use of		tribution of loans among banks of group;	
	bank credit.		rate of interest; notes accepted for advances	
302.	Number of members; classes.		as collateral security for Federal reserve	
303.	Qualifications and disabilities.		notes; foreign obligations as security for	
304.	Class A and class B directors; selection. Class C directors; selection; "Federal reserve	0.451	advances.	
305.	agent."	347b.	Advances to individual member banks on time or demand notes; maturities; time	
306.	Assistants to Federal reserve agent.		notes secured by mortgage loans covering	
307.	Compensation of directors.		one-to-four family residences.	
308.	Terms of directors; vacancies.		(a) In general.	
SUBCH	APTER VIII—STATE BANKS AS MEMBERS		(b) Limitations on advances.	
	OF SYSTEM	347c.	Advances to individuals, partnerships, and	
321.	Application for membership.	347d.	corporations; security; interest rate. Transactions between Federal Reserve banks	
322.	Determination on application.	547u.	and branch or agency of foreign bank; mat-	
323.	Stock in Federal reserve banks; method of		ters considered.	
	payment.	348.	Discount of obligations given for agricultural	
324.	Laws applicable on becoming members.		purposes or based upon livestock; collateral	
325.	Examinations.		security for Federal reserve notes.	
326.	Acceptance of examinations and reports by State authorities; special examinations.	348a.	Transactions with foreign banks; supervision	
327.	Surrender of stock and cancellation of mem-		of Board of Governors of the Federal Re- serve System.	
02	berships.	349.	Rediscount for intermediate credit banks of	
328.	Withdrawals from membership.	010.	obligations given for agricultural purposes;	
329.	Capital stock required as condition precedent		discount of notes made pursuant to section	
222	to membership.		1031.	
329a.	Omitted.	350.	Purchase and sale of debentures and like obli-	
330.	Laws applicable on becoming members; discounts for State banks.		gations of intermediate credit banks and	
331.	Certifying checks on State banks admitted as	351.	agricultural credit corporations. Obligations of cooperative marketing associa-	
	members.	551.	tion as issued or drawn for agricultural pur-	
332.	Depositaries of public money; financial		poses.	
	agents; security required.	352.	Limitation on amount of obligations of cer-	
333.	Mutual savings banks; application and admis-		tain maturities which may be discounted	
	sion to membership in Federal Reserve System.	0500	and rediscounted.	
334.	Reports from affiliates; penalty for failure to	352a. 353.	Repealed. Purchase and sale of cable transfers, accept-	
	furnish.	000.	ances and bills.	
335.	Dealing in investment securities; limitations	354.	Transactions involving gold coin, bullion, and	
222	and conditions.		certificates.	
336.	Certificates of stock; representation of stock of other corporations.	355.	Purchase and sale of obligations of National,	
337.	Repealed.		State, and municipal governments; open market operations; purchases and sales	
338.	Examination of affiliates; forfeiture of mem-		from or to United States; maximum aggre-	
	bership on refusal of affiliate to give infor-		gate amount of obligations acquired di-	
	mation or pay expense.		rectly from or loaned directly to United	
338a.	Investments to promote public welfare and		States.	
	community development; limitation on in-	356.	Purchase of commercial paper from member	
339.	vestments. Participation by State member banks in lot-	357.	banks and sale of same. Establishment of rates of discount.	
000.	teries and related activities.	358.	Establishment of accounts for purposes of	
	(a) Prohibited activities.	000.	open-market operations; correspondents	
	(b) Use of banking premises prohibited.		and agencies.	
	(c) Definitions.	359.	Purchase and sale of acceptances of inter-	
	(d) Lawful banking services connected		mediate credit banks and agricultural cred-	
	with operation of lottery. (e) Regulations; enforcement.	359a.	it corporations. Omitted.	
339a.	Resolution of clearing banks.	360.	Receiving checks and drafts on deposit at par;	
	(a) Conservatorship or receivership.	0001	charges for collections, exchange, and clear-	
	(b) Board authority.		ances.	
	(c) Bankruptcy proceedings.	361.	Bills receivable, bills of exchange, accept-	
SUB	CHAPTER IX—POWERS AND DUTIES OF	000 +- 00	ances; regulations by Board of Governors.	
FEDERAL RESERVE BANKS			362 to 364. Omitted.	
341.	General enumeration of powers.	SUI	BCHAPTER X—POWERS AND DUTIES OF	
342.	Deposits; exchange and collection; member		MEMBER BANKS	
	and nonmember banks or other depository	371.	Real estate loans.	
9/19	institutions; charges.		(a) Authorization to make real estate	
343.	Discount of obligations arising out of actual commercial transactions.		loans; orders, rules, and regulations of Comptroller of the Currency.	
	committee of with the offolial.		or compared of the ourrency.	

Sec.

(b) Eligibility for discount as commercial paper of notes representing loans financing construction of residential or farm buildings; prerequisites. Payment of interest on demand deposits.

Rate of interest on time deposits; payment of time deposits before maturity; waiver of notice requirements for withdrawal of savings deposits.

Repealed.

Interbank liabilities.

(a) Purpose.

- (b) Aggregate limits on insured depository institutions' exposure to other depository institutions.
- "Exposure" defined.
- (d) Insured depository institution.
- (e) Rulemaking authority; enforcement.

Banking affiliates.

- (a) Restrictions on transactions with affiliates.
- (b) Definitions.
- (c) Collateral for certain transactions with affiliates.
- (d) Exemptions.
- (e) Rules relating to banks with financial subsidiaries.
- (f) Rulemaking and additional exemp-
- Restrictions on transactions with affiliates.
 - (a) In general.
 - (b) Prohibited transactions.
 - (c) Advertising restriction.
 - (d) Definitions.
 - (e) Regulations.
- Investment in bank premises or stock of corporation holding premises.
 - (a) Conditions of investment.
 - (b) Definitions.
- Bankers' acceptances.
 - (a) Institutions; drafts and bills of exchange; types.
 - (b) Ratio limit of bills to unimpaired capital stock and surplus.
 - (c) Authorization for special ratio limit; foreign banks.
 - (d) Ratio limit for domestic transactions.
 - (e) Ratio limit for single entity; foreign banks; security.
 - (f) Exception for participation agreements.
 - (g) Definitions by Board.
 - (h) Dollar equivalent of foreign bank paid-up capital stock and surplus.
 - Acceptance of drafts or bills drawn by banks in foreign countries or dependencies of United States for purpose of dollar ex-
- 374. Acting as agent for nonmember bank in getting discounts from reserve bank.
- 374a. Acting as agent for nonbanking borrower in making loans on securities to dealers in stocks, bonds, etc.; penalties.
- 375. Purchases from directors; sales to directors. 375a. Loans to executive officers of banks.
 - (1) General prohibition; authorization for extension of credit; conditions for credit.
 - (2) Mortgage loans.
 - (3) Educational loans.
 - (4) General limitation on amount of credit.
 - (5) Partnership loans.
 - (6) Report of date and amount of credit extensions, security, and uses of proceeds upon excessive extension of credit.
 - (7) Endorsement or guarantee of loans or assets; protective indebtedness.

- (8) Continuation of violation.
- (9) Report of loan activity since previous report of condition.
- (10) Rules and regulations; definitions.
- Extensions of credit to executive officers, di-375b. rectors, and principal shareholders of member banks.
 - (1) In general.
 - (2) Preferential terms prohibited.
 - (3) Prior approval required.
 - (4) Aggregate limit on extensions of credit to any executive officer, director, or principal shareholder.
 - (5) Aggregate limit on extensions of credit to all executive officers, directors, and principal shareholders.
 - (6) Overdrafts by executive officers and directors prohibited.
 - (7) Prohibition on knowingly receiving unauthorized extension of credit.
 - (8) Executive officer, director, or principal shareholder of certain affiliates treated as executive officer, director, or principal shareholder of member bank.
 - (9) Definitions.
 - (10) Board's rulemaking authority.
- 376. Rate of interest paid to directors, etc.
- 377. Repealed. 378.
 - Dealers in securities engaging in banking business; individuals or associations engaging in banking business; examinations and reports; penalties.

SUBCHAPTER XI—DEPOSITARIES AND FISCAL AGENTS

- 391. Federal reserve banks as Government depositaries and fiscal agents.
- Reimbursement of Federal Reserve Banks. 391a.
- 392. Depositaries of Government funds as confined to banks in Federal reserve system; member banks as depositaries.
- 393. Federal reserve banks as depositaries for Farm Credit System.
- 394. Federal reserve banks as depositaries for and fiscal agents of Home Owners' Loan Corporation.
- 395. Federal reserve banks as depositaries, custodians and fiscal agents for Commodity Credit Corporation.

SUBCHAPTER XII—FEDERAL RESERVE NOTES

- 411. Issuance to reserve banks; nature of obligation; redemption.
- 412. Application for notes; collateral required.
- 413. Distinctive letter and serial number of notes; cancellation of notes unfit for circulation; accounting; apportionment of credit among Federal Reserve banks.
- Authority of Board of Governors respecting 414. issuance of notes; interest; lien.
- Reduction of liability for outstanding notes 415. by depositing notes and collateral and payment of notes of series prior to 1928; reissue of deposited notes.
- 416. Withdrawal of collateral deposited to protect notes and substitution of other collateral; retirement of notes; payment of notes of series prior to 1928; recovery of collateral; reissue of deposited notes.
- 417. Custody and safe-keeping of notes issued to and collateral deposited with reserve agent.
- Printing of notes; denomination and form. 418.
- 419. Delivery of notes prior to delivery to banks.
- Control and direction of plates and dies; ex-420. pense of issue and retirement of notes paid by banks.
- 421. Examination of plates and dies.
- 422 Repealed.

Sec

SUBCHAPTER XIII—CIRCULATING NOTES AND BONDS SECURING SAME

441 to 448. Omitted.

SUBCHAPTER XIV—BANK RESERVES

461. Reserve requirements.

- (a) Establishment of applicable definitions, payment of interest, obligations as deposits, and regulations.
- (b) Additional definitions; required amounts of reserves maintained against transaction accounts; waiver of ratio limits in extraordinary circumstances; supplemental reserves; reserves related to foreign obligations or assets; exemption for certain deposits; discount and borrowing; transitional adjustments; additional exemptions and waivers.
- (c) Promulgation of rules and regulations respecting maintenance of balances.

462 to 462c. Omitted or Repealed.

- 463. Limitation on amount of balance with any depository institution without access to Federal Reserve advances.
- 464. Checking against and withdrawal of reserve balance.
- 465. Basis for ascertaining deposits against which required balance is determined.
- 466. Reserves of banks in dependencies or insular possessions.
- 467. Deposits of gold coin, gold certificates, and Special Drawing Right certificates with United States Treasurer.

SUBCHAPTER XV—BANK EXAMINATIONS

- 481. Appointment of examiners; examination of member banks, State banks, and trust companies; reports.
- 482. Employees of Office of Comptroller of the Currency; appointment; compensation and benefits.
- 483. Special examination of member banks; information of condition furnished to Board of Governors of the Federal Reserve System
- 484. Limitation on visitorial powers.
- 485. Examination of Federal reserve banks.
- 486. Waiver of requirements as to reports from or examinations of affiliates.

SUBCHAPTER XVI—CIVIL LIABILITY OF FEDERAL RESERVE AND MEMBER BANKS, SHARE-HOLDERS, AND OFFICERS

- 501. Liability of Federal reserve or member bank for certifying check when amount of deposit was inadequate.
- 501a. Forfeiture of franchise of national banks for failure to comply with provisions of this chapter.
- 502. Liability of shareholders of Federal reserve banks on contracts, etc.
- 503. Liability of directors and officers of member banks.
- 504. Civil money penalty.
 - (a) First tier.
 - (b) Second tier.
 - (c) Third tier.
 - (d) Maximum amounts of penalties for any violation described in subsection (c).
 - (e) Assessment; etc.
 - (f) Hearing.
 - (g) Disbursement.
 - (h) "Violate" defined.
 - (i) Regulations.
 - (m) Notice under this section after separation from service.
- 505. Civil money penalty.

Sec.

- (1) First tier.
- (2) Second tier.(3) Third tier.
- (4) Maximum amounts of penalties for any violation described in paragraph (3).
- (5) Assessment; etc.
- (6) Hearing.
- (7) Disbursement.
- (8) "Violate" defined.
- (9) Regulations.

506. Notice after separation from service.

SUBCHAPTER XVII—RESERVE-BANK BRANCHES

- 521. Reserve-bank branches; establishment; directors; discontinuance of branches; approval for erection of branch bank building.
- 522. Federal reserve branch bank buildings.

SUBCHAPTER I—DEFINITIONS, ORGANIZATION, AND GENERAL PROVISIONS AFFECTING SYSTEM

§221. Definitions

Wherever the word "bank" is used in this chapter, the word shall be held to include State bank, banking association, and trust company, except where national banks or Federal reserve banks are specifically referred to.

The terms "national bank" and "national banking association" used in this chapter shall be held to be synonymous and interchangeable. The term "member bank" shall be held to mean any national bank, State bank, or bank or trust company which has become a member of one of the Federal reserve banks. The term "board" shall be held to mean Board of Governors of the Federal Reserve System; the term "district" shall be held to mean Federal reserve district; the term "reserve bank" shall be held to mean Federal reserve bank; the term "the continental United States" means the States of the United States and the District of Columbia.

The terms "bonds and notes of the United States", "bonds and notes of the Government of the United States", and "bonds or notes of the United States" used in this chapter shall be held to include certificates of indebtedness and Treasury bills issued under section 3104 of title 31

(Dec. 23, 1913, ch. 6, §1, 38 Stat. 251; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704; Pub. L. 86-70, §8(a), June 25, 1959, 73 Stat. 142; Pub. L. 97-258, §2(c), Sept. 13, 1982, 96 Stat. 1058.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this Act", meaning act Dec. 23, 1913, ch. 6, 38 Stat. 251, as amended, known as the Federal Reserve Act. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

AMENDMENTS

1982—Pub. L. 97–258 inserted provisions defining "bonds and notes of the United States", "bonds and notes of the Government of the United States", and "bonds or notes of the United States". These provisions are based on acts Sept. 24, 1917, ch. 56, \$5(c), 40 Stat. 290; Apr. 4, 1918, ch. 44, \$4, 40 Stat. 504; Mar. 3, 1919, ch. 100, \$3, 40 Stat. 1311; restated June 17, 1929, ch. 26, 46 Stat. 20 (former 31 U.S.C. 754(c)).

1959—Pub. L. 86-70 inserted definition of "the continental United States".